Cooley

REDACTED VERSION

VIA ECFS

August 24, 2016

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Copy: Wireline Competition Bureau
Jodie May Donovan
Acting Division Chief, Competition Policy Division
Dennis Johnson
Competition Policy Division

RE: Supplement to Joint Application for Consent to Transfer Control of Domestic Authority Pursuant to Section 214 of the Communications Act of 1934, As Amended, WC Docket No. 16-241
Cover Letter for Redacted Version

Dear Ms. Dortch:

On behalf of REP UP, L.P. and Cox Communications, Inc. ("Joint Applicants") we hereby submit via ECFS a redacted version of the Joint Applicants' Supplement to Joint Application for Consent to Transfer Control of Domestic Authority Pursuant to Section 214 of the Communications Act of 1934, as Amended (the "Supplement"). A confidential version of the Supplement has been filed with the Secretary's office with a request seeking confidential treatment of sensitive corporate information included therein.

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We would be pleased, of course, to discuss at your convenience any aspect of the Supplement.

Respectfully submitted,

J.G. Harrington
Counsel for Cox Communications, Inc.

Matthew Kent
Counsel to REP UP, L.P.

Tamar Finn
Danielle Burt
Counsel to Unite Private Networks, LLC and
Unite Private Networks-Illinois, LLC

Enclosure

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RE: Supplement to Joint Application for Consent to Transfer Control of Domestic Authority Pursuant to Section 214 of the Communications Act of 1934, As Amended, WC Docket No. 16-241
Request for Confidential Treatment Under the FCC's Rules

Dear Ms. Dortch:

On behalf of REP UP, L.P. and Cox Communications, Inc. ("Joint Applicants"), attached please find an unredacted version of the Joint Applicants' Supplement to Joint Application for Consent to Transfer Domestic Authority Pursuant to Section 214 of the Communications Act of 1934, as Amended. A redacted version of the attached documents was filed under separate cover in WC Docket Number 16-241. Pursuant to Sections 0.457(d) and 0.459 of the Commission's rules, the Joint Applicants hereby request that the Commission withhold from public inspection, and accord confidential treatment to, the information marked as confidential in the attached documents.

The attached documents include sensitive commercial information regarding certain commercial financial terms relating specifically to the transaction and the business operation of the Joint Applicants. Such information falls squarely within Section 0.457(d) of the Commission's rules, as well as Exemption 4 of the Freedom of Information Act ("FOIA"),[1] and thus should not routinely be made available for public inspection. Exemption 4 of FOIA provides that the statute's public disclosure requirement "does not apply to matters that are (4) trade secrets and commercial or financial information obtained from a person and privileged or confidential."[2] The attached information should be afforded confidentiality under Exemption 4 because it is sensitive commercial information, much of which was developed solely for purposes of submission in this proceeding. Such material customarily would not be released to the public by

[1] *See* 5 U.S.C. § 552(b)(4).
[2] *Id.* The Commission's rules mirror this language. *See* 47 C.F.R. § 0.457(d).

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the Joint Applicants, and its release would cause substantial harm to Joint Applicants' competitive position.

While the Joint Applicants believe that the confidential nature of the commercial information included in the attached documents automatically qualifies this submission as the type of record not routinely available for public inspection under Section 0.457(d) of the FCC's rules, the Joint Applicants out of an abundance of caution also alternatively request that this material be withheld from public inspection pursuant to Section 0.459, although by the terms of that rule, such a request should be "unnecessary." The Joint Applicants seek confidential treatment for the attached commercially sensitive information. This information is being provided to the Commission only, and the Joint Applicants have taken tremendous care to prevent its unauthorized disclosure to unaffiliated third parties. None of the information included in the attached documents currently is available to the public, and the information is not disclosed to third parties in the ordinary course of business.

Please contact us if you have any questions about this matter.

Respectfully submitted,

J.G. Harrington
Counsel for Cox Communications, Inc.

Matthew Kent
Counsel to REP UP, L.P.

Tamar Finn
Danielle Burt
Counsel to Unite Private Networks, LLC and
Unite Private Networks-Illinois, LLC

Enclosures

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of	)	
REP UP, L.P.	)	
Transferor,	)	
and	)	
Cox Communications, Inc.,	)	WC Dkt. No. 16-241
Transferee.	)	
Joint Application for Consent to Transfer Domestic Authority Pursuant to Section 214 of the Communications Act of 1934, as amended	)	

SUPPLEMENT TO JOINT APPLICATION FOR CONSENT TO TRANSFER DOMESTIC AUTHORITY PURSUANT TO SECTION 214 OF THE COMMUNICATIONS ACT OF 1934, AS AMENDED

Cox Communications, Inc. ("Cox") and REP UP, L.P. ("REP UP"), by their attorneys, hereby submit the following supplemental information at the request of the Commission staff and in connection with the above-referenced application for authorization for the transfer of control of Unite Private Networks, LLC and Unite Private Networks-Illinois, LLC (collectively, "UPN") from REP UP to Cox (the "Joint Application"). This supplement provides information requested by Commission staff and additional information on the status of antitrust review of the proposed transaction that has become available since the Joint Application was filed.

Status of Antitrust Review

At the time the Joint Application was filed, the proposed transaction was still subject to Hart-Scott-Rodino review by the antitrust agencies. The agencies allowed the review period to expire on August 15, 2016, without undertaking any "second request" investigation. Accordingly, the parties do not expect any additional activity on antitrust matters.

Correction to Joint Application

The description of the Transferor on page 10 of the Joint Application erroneously refers to WC Docket No. 12-13. That reference, consistent with the information provided in footnote 5 of the Joint Application, should be to WC Docket No. 12-131.

Consideration Being Paid for Cox Ownership Interest

[BEGIN CONFIDENTIAL]

[END CONFIDENTIAL] Moreover, both Fitch Ratings and

Standard & Poors have announced that Cox's publicly-traded debt will maintain its current investment grade rating following the transaction. Of the comparable companies listed above, none has an investment grade rating from Standard & Poors for its debt.[1] The ratings analyses from Fitch and Standard & Poors are attached hereto as Attachment 1.

Map of the Companies' Coverage Areas

A map showing the companies' coverage areas and the areas where both companies provide service is attached hereto as Attachment 2.

Additional Information Concerning Overlap Area and Other Market Data

A chart showing the information requested by the staff concerning the service provided by Cox and UPN in the markets where both companies provide service is attached hereto as Attachment 3.

Based on a review of the Cox and UPN databases of buildings with service, Cox anticipates that it will serve approximately [BEGIN CONFIDENTIAL] [END CONFIDENTIAL] buildings with fiber facilities following the completion of the proposed transaction, including both facilities operated by Cox and facilities operated by UPN but under Cox's control.[2]

Based on data obtained by Altman Vilandrie & Company, Cox's current market share in the national market for business data services[3] is approximately [BEGIN CONFIDENTIAL] [END CONFIDENTIAL] and UPN's current market share is approximately [BEGIN CONFIDENTIAL] [END CONFIDENTIAL]

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[1] Two of the companies listed above do not have ratings from Standard & Poors.

[2] As requested by staff, this figure was calculated by counting any buildings with overlapping facilities only once.

[3] For purposes of this calculation, the market was defined as Business Data Services (thus excluding best-efforts services) provided to commercial customers with more than 25 employees, commercial customers seeking connectivity to data centers, and wireless carriers seeking backhaul solutions.

Additional Information Concerning Public Interest Benefits

As described in the Application, this transaction will result in significant public interest benefits.[4] Having Cox and Ridgemont as its equity owners will provide UPN with the financial resources necessary to accelerate its strategic growth initiatives and augment its position as a disruptive provider of differentiated fiber infrastructure solutions. To help facilitate the strategic growth initiatives described herein and in the Application, the credit facility that will be put in place at closing will provide UPN with access to significant additional capital in order to fund strategic growth in a business that is very capital intensive. Specifically, the portion of the credit facility that will not be drawn down at the closing will be available for capital projects, including expanding UPN's fiber footprint within and outside its current markets. The Commission has recognized the public interest benefits of additional investment that supports the development of telecommunications networks.[5]

In particular, UPN will have the ability to fill in missing infrastructure in existing markets and extend its reach to markets outside their current footprint. Moreover, the UPN platform will allow Cox to significantly extend its reach to markets outside of its current footprint, thereby increasing competition to the benefit of customers and potential customers in a number of markets. This increase in geographic reach and market expansion capabilities will enable Cox and UPN to serve customers with regional fiber network needs that neither party can serve on its own today, thereby increasing competition.[6]

---

[4] *See* Application at 4-7.

[5] *See, e.g.,* Applications of SOFTBANK CORP., Starburst II, Inc., Sprint Nextel Corporation, and Clearwire Corporation, *Memorandum Opinion and Order, Declaratory Ruling, and Order on Reconsideration,* 28 FCC Rcd 9642, 9682, IB Docket No. 12-343, FCC 13-92, ¶ 102 (finding that new investments "likely will strengthen" ability to compete).

[6] As noted in the Joint Application, the Commission has recognized that providing customers with access to a network with greater geographic coverage is a public interest benefit. Applications of Charter Communications, Inc., Time Warner Cable Inc. and Advance/Newhouse Partnership, *Memorandum Opinion and Order,* MB Docket No. 15-149, FCC 16-59 (rel. May 10, 2016), ¶¶ 378, 381 (recognizing that transaction would "bring a benefit" for

Finally, Cox has strategic capabilities that it may be able to provide over time in order to enhance UPN's product and service offering. These strategic capabilities include making certain Cox product and managed services available to UPN customers and leveraging Cox customer support resources, network monitoring and operations centers, and network security elements to improve UPN's ability to serve its customers. This will make UPN more competitive in the enterprise marketplace, where customers often seek to obtain multiple services and specified service level agreements from a single provider. In addition, UPN will be able to benefit from Cox's broader view of the marketplace, of the opportunities that are likely to arise, and of the challenges that have to be addressed.

Additional Information Concerning Pre- and Post-Transaction Structure

A chart showing the pre- and post-transaction ownership structure for UPN is attached hereto as Attachment 4.

customers with multiple locations" and that "the transaction will add vibrant new competition and output to the market and tend to undermine industry coordination" in the commercial services market).

Please inform the parties if any questions should arise in connection with this submission.

Respectfully submitted,

By: /s/

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Counsel to Licensees

August 24, 2016

ATTACHMENT 1

Credit Rating Reports

REDACTED FOR PUBLIC INSPECTION

FITCH: COX ENTERPRISES AND COX COMMUNICATIONS RATINGS UNAFFECTED BY UPN INVESTMENT

Fitch Ratings-New York-08 July 2016: According to Fitch Ratings, Cox Enterprises, Inc. (CEI) and its wholly owned subsidiary Cox Communications, Inc.'s (CCI) ratings are not affected by CCI's announced strategic investment in Unite Private Networks (UPN). CCI will be co-investing with a financial partner and UPN's management team. Neither financial terms nor timing were disclosed.

The acquisition is in line with Fitch's parameters for the ratings, which include the expectation that CCI would continue to invest in growth opportunities in its Cox Business segment. The acquisition allows CCI to leverage its existing infrastructure and address the overall growing demand for high capacity fiber. It also allows the Cox Business segment to expand its addressable market footprint.

UPN provides fiber-based networks to schools, government, carriers, data centers, hospitals and enterprise business customers, and operates a 6,200 route mile fiber network across 20 states primarily in central U.S.

KEY RATING DRIVERS

NextGear Debt Treatment: Fitch measures CEI's core leverage, excluding NextGear Capital Inc.'s (NextGear) debt and EBITDA. NextGear sources funding for its floor plan financing using cash from operations and debt, which was $3.2 billion at March 31, 2016. Fitch's rationale to exclude NextGear's debt and EBITDA is driven by its belief that NextGear is not critical to Cox Auto's business model: although Fitch recognizes NextGear is complementary to Cox Auto's other businesses given the cross selling opportunities, most of Cox Auto's businesses function autonomously. Fitch's treatment is also supported by the alternative financing options that have always been available to dealers, which results in Manheim's business model not being dependent on NextGear financing. Manheim has been the world's largest auto auction since 1959.

Cable Business Anchors Ratings: Ratings reflect CCI's size and strong competitive position. CCI is the company's largest business segment and fifth largest multichannel video programming distributor (MVPD) in the U.S. The operating leverage inherent in CCI's cable business along with stable capital intensity enable the company to generate consistent levels of free cash flow (FCF) before dividends to CEI, thereby providing CEI with significant financial flexibility.

Consistent Capital Allocation Policy: CEI's capital allocation strategy places a high priority on investment in its core businesses (CCI, Cox Automotive and Cox Media Group). The absence of a formal dividend policy creates uncertainty and elevates event risk and there is limited flexibility within the current ratings to accommodate a shift in the company's capital allocation policy. Future dividend payments will likely be made within the context of the company's leverage target, current ratings, anticipated FCF generation, and the scale and scope of internal or external investment opportunities.

Cable Competition a Concern: Rating concerns center on CCI's ability to adapt to changing competitive dynamics and maintain its relative market position given the challenging competitive environment. In addition, the mature video service product, along with the tepid economic and housing recovery and, to a lesser extent, competition from alternative distribution platforms, may continue to hinder CCI's ability to grow its subscriber base. This, together with continued programming cost inflation, may thwart margin expansion. CCI is working to overcome these challenges by converting its cable infrastructure to 100% digital by year-end 2016 and increasing its rollout of "Contour", based on Comcast's highly successful X-1 platform, to expand and enhance its video product.

Diverse Businesses, but Challenges Remain: The ratings recognize the diversification and market-leading positions of CEI's businesses, while acknowledging that some of these businesses remain exposed to moderate cyclical and secular pressures. Fitch expects Cox Media Group's organic growth to remain challenged as television stability and increasing retransmission revenue is offset by pressures on newspapers, Valpak and, to a lesser extent, radio. The company's ongoing efforts to streamline and consolidate the business, and its recent efforts to focus on larger markets, could drive moderate margin improvement.

Ratings are Linked: Fitch links the Issuer Default Ratings (IDRs) of CCI and CEI in accordance with its criteria. While no cross defaults or cross guarantees exist between the entities, Fitch believes that CCI's probability of default would be understated (i.e. rated higher) if it did not consider CEI's businesses and weaker credit profile. At the same time, it would overstate CEI's probability of default if the rating only incorporated the CEI businesses on a standalone basis and did not consider potential upstream cash flows CEI could access in distress.

KEY ASSUMPTIONS

Fitch's key assumptions within our rating case for the issuer include:

--Revenue growth in the high single digits in 2016 as a result of the Dealertrack acquisition completed in October 2015;
--EBITDA margin expansion over the forecast benefitting from the positive operating leverage in these businesses, following the full integration of Cox Auto's segments;
--FCF generation above $1 billion annually;
--Core leverage remains on track to delever to below 2.5x within 24 months of the close of the Dealertrack acquisition.

RATING SENSITIVITIES

Positive: Fitch does not anticipate further ratings upside at this time. An upgrade would only come with a commitment to, and a credible rationale for, a substantially tighter leverage target, which is not expected.

Negative: Such an action could occur if CEI does not reduce total core leverage below 2.5x over a 12-18 month timeframe. In addition, Fitch could consider a negative action if NextGear adopted a more aggressive financial profile or the credit quality of NextGear's portfolio erodes due to market conditions or other issues.

LIQUIDITY

CEI's liquidity position was supported by $334.2 million of cash on hand as of March 31, 2016, anticipated FCF generation, and the borrowing capacity under the company's $3.5 billion revolver maturing March 28, 2019, of which $2.3 billion was available as of March 31, 2016. CEI's revolver serves as the liquidity back-stop for its commercial paper program ($1.2 billion outstanding as of March 31, 2016). Either CEI or CCI may borrow up to $3.5 billion, provided that the aggregate amount outstanding under the facility does not exceed $3.5 billion. CEI and CCI are each severally, but not jointly, liable for their respective borrowing.

Overall, CEI's liquidity position is solid considering its ability to generate consistent levels of FCF. Fitch expects that CCI will generate the majority of CEI's consolidated revenues and cash flow. However, Fitch notes that each of CEI's segments is positioned to generate positive FCF over Fitch's ratings horizon. CEI generated approximately $1.1 billion of FCF during the latest 12 months (LTM) period ended March 31, 2016. Going forward, Fitch expects that modest revenue growth and margin expansion will position the company to generate FCF in excess of $1 billion annually.

CEI has the ability to access the cash flows from all of its restricted and unrestricted subsidiaries. CEI's credit agreement does not limit dividends from its unrestricted subsidiaries (primarily CCI) as long as leverage (calculated in accordance with covenants) is below 5.0x. Financial flexibility is further enhanced by CCI's stable and recurring pre-dividend FCF (net cash from operating activities less capital spending), which totalled approximately $751 million during the LTM period ended March 31, 2016.

CEI's maturity schedule is manageable. As such, Fitch believes that CEI has sufficient financial flexibility through expected FCF generation, available borrowing capacity from the revolver, and capital market access to address near-term maturities. Excluding securitized debt and $1.2 billion of commercial paper, CEI's maturity schedule includes approximately $600 million during 2016, $104 million during 2017 and $2.9 billion during 2018. CEI also has $425 million of demand notes listed as current liabilities.

Fitch currently rates CEI and CCI as follows:

Cox Enterprises, Inc.
--Long-Term Issuer Default Rating (IDR) 'BBB+';
--Short-Term IDR 'F2';
--Senior unsecured debt 'BBB+';
--Commercial paper 'F2'.

Cox Communications, Inc.
--Long-Term IDR 'BBB+';
--Short-Term IDR 'F2';
--Senior unsecured debt 'BBB+';
--Commercial paper 'F2'.

Contact:

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Fitch Ratings, Inc.
33 Whitehall Street
New York, NY 10004

Secondary Analyst
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+1-312-368-3148

Media Relations: Alyssa Castelli, New York, Tel: +1 (212) 908 0540, Email: alyssa.castelli@fitchratings.com.

Additional information is available on www.fitchratings.com

Summary of Financial Statement Adjustments - Financial statement adjustments that depart materially from those contained in the published financial statements of the relevant rated entity or obligor are disclosed below:

--Fitch's calculation of CEI's core leverage excludes NextGear's debt and EBITDA.

S&P Global
Ratings

Research

Bulletin:

Cox Enterprises Inc. Ratings Unaffected By Its Plan To Invest In Unite Power Networks

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NEW YORK (S&P Global) July 7, 2016—S&P Global Ratings said today that its ratings on Atlanta-based diversified media and cable company Cox Enterprises Inc. (CEI), including the 'BBB' corporate credit rating, are not affected by the announcement that it agreed to make a strategic investment through its cable subsidiary Cox Communications Inc. (CCI) in privately-held fiber provider Unite Power Networks (UPN).

We believe the proposed investment should offer some business benefits for CCI given UPN's long-term contracts with schools, business customers, and wireless carriers in less competitive and largely underserved rural markets that are complementary to CCI's existing footprint. Moreover, it will enable CCI to expand its business services footprint and densify its network.

Terms of the transaction were not disclosed although we believe that leverage could increase modestly given the high public trading multiples and valuations paid for fiber transport providers, which would make it challenging for CEI to reduce leverage over the next 12 months unless the company is able to sell noncore assets and use the proceeds for debt reduction. Our negative outlook reflects our view that CEI's leverage of about 3x is high for the rating level and we could lower the ratings unless the company grows EBITDA and allocates free operating cash flow to debt reduction.

Only a rating committee may determine a rating action and this report does not constitute a rating action.

ATTACHMENT 2

Map

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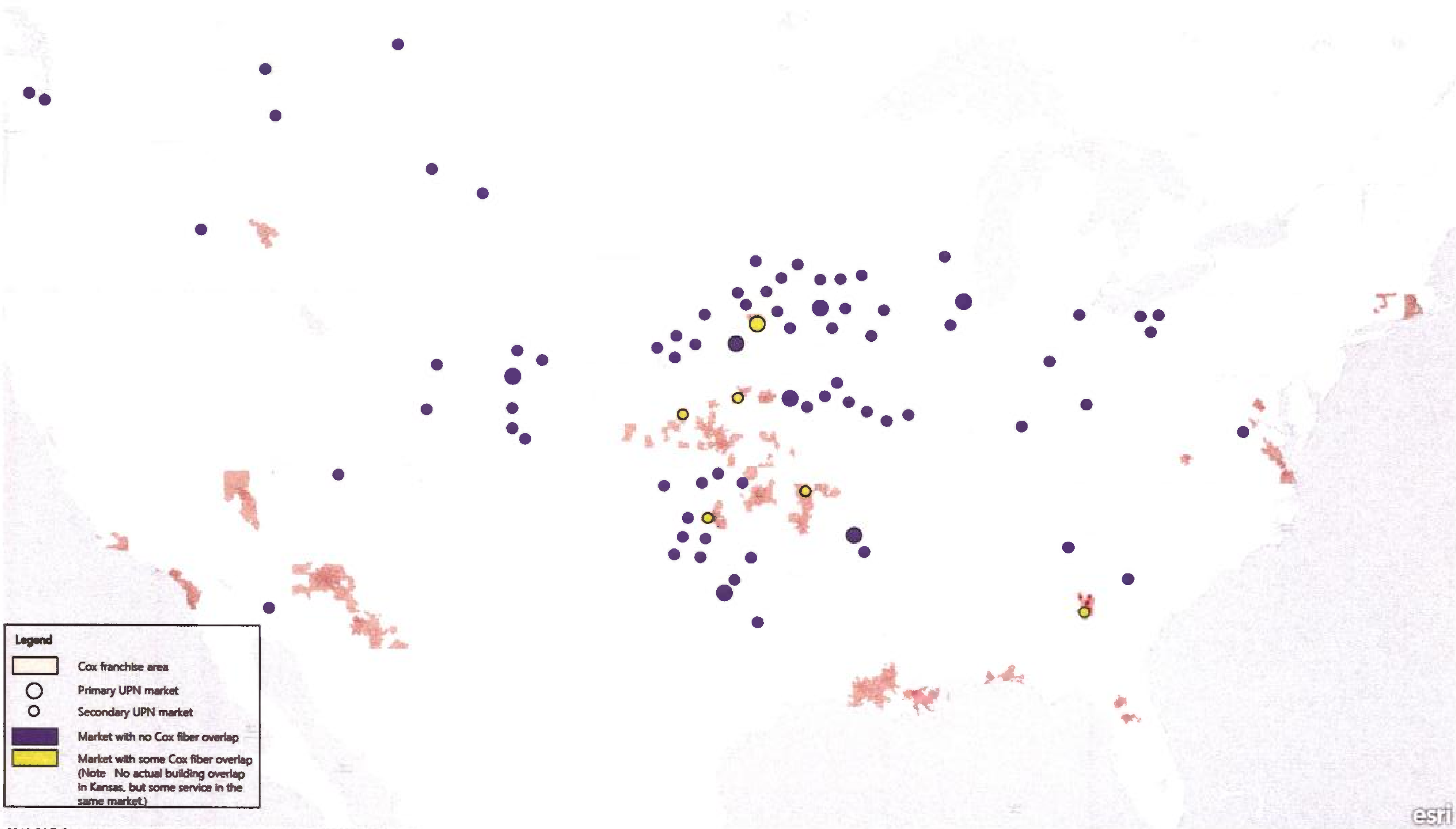
Legend
Cox franchise area
Primary UPN market
Secondary UPN market
Market with no Cox fiber overlap
Market with some Cox fiber overlap (Note No actual building overlap in Kansas, but some service in the same market.)
esri

ATTACHMENT 3

Information Concerning Overlap Markets

Information Concerning Overlap Markets

The following chart provides information requested by the staff concerning the buildings served by Cox and UPN fiber in the markets where both companies provide service. It is based on review of the companies' databases of buildings reached by existing facilities, which may contain errors.

The information concerning the number of competitors in each building where Cox and UPN both provide fiber-based services was derived from several private national databases of fiber providers accessed by Altman Vilandrie & Company. For purposes of determining whether a competitor was in the building, the analysis includes providers that have facilities serving the building. The analysis assumes that the incumbent local exchange carrier serves every building. The databases used for this analysis are not complete inventories of all buildings served by any individual provider in the markets that were examined. In addition, while the information on buildings served by both Cox and UPN includes some buildings where only dark fiber is provided by one or both of the companies, the parties understand that the databases used to identify competitors identify only buildings where competitors have lit fiber. As a result, the information below concerning competitors in each building may understate the actual level of competition. The total number of buildings where both Cox and UPN provide service is 167, or [BEGIN CONFIDENTIAL] [END CONFIDENTIAL] of approximately [BEGIN CONFIDENTIAL] [END CONFIDENTIAL] total locations that would be served post-transaction.

[BEGIN CONFIDENTIAL]

Market	Buildings Served by Both Cox and UPN	% of Total Cox/UPN Buildings in Market*	UPN Customers in Market**	Additional Competitors in Overlap Buildings***
Fayetteville, Arkansas				
Warner Robins, Georgia				
Kansas				
Omaha, Nebraska/Iowa				
Oklahoma City, Oklahoma				

[END CONFIDENTIAL]

*Total buildings calculated as follows: Cox buildings + UPN buildings – overlap buildings.

**In many cases, UPN serves multiple buildings for a single customer.

***Includes only competitors other than Cox and UPN. *E.g.,* a building served by Cox, UPN, and the incumbent local exchange carrier would be treated as having one additional competitor.

ATTACHMENT 4

Ownership Structure Pre- and Post-Transaction

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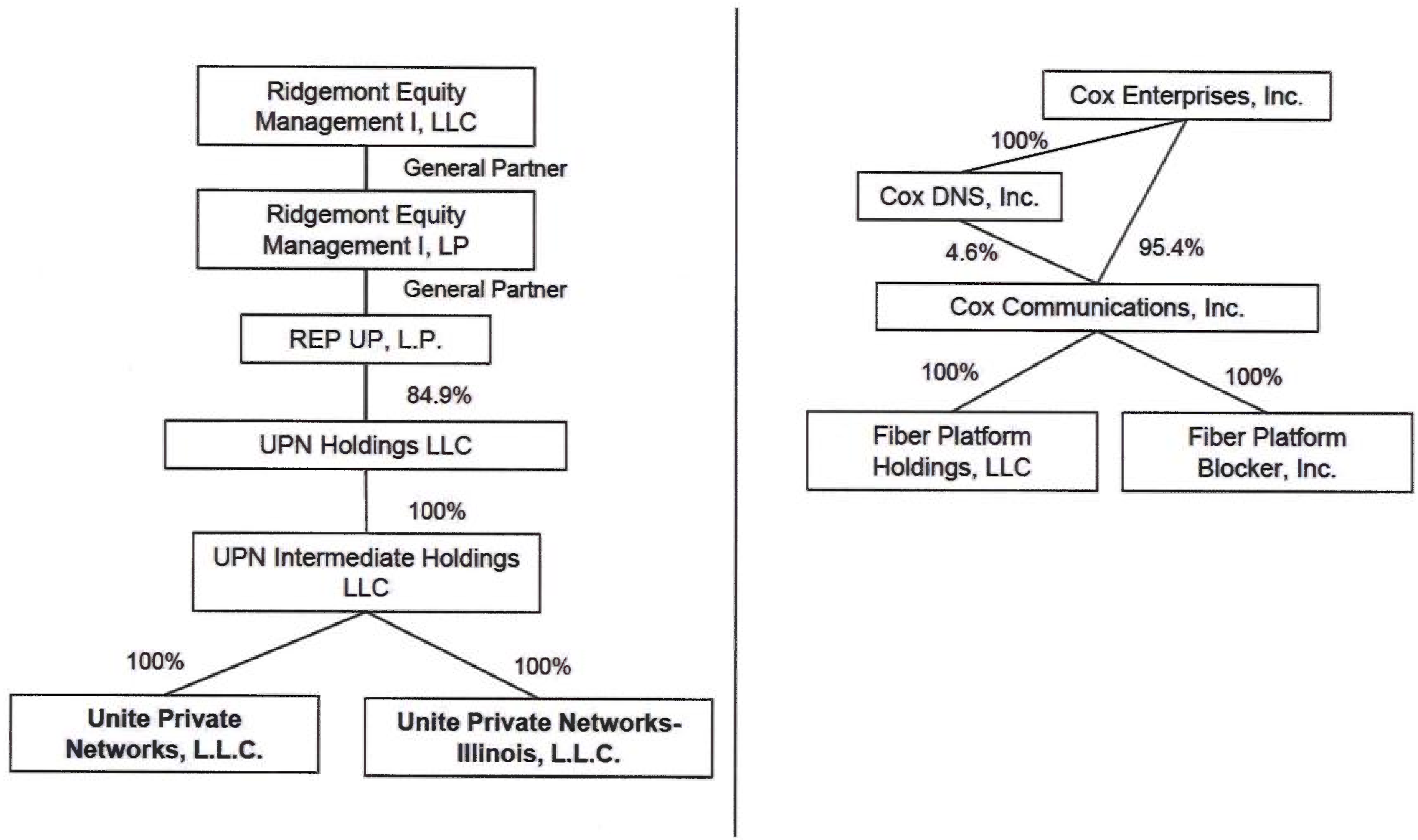
Pre-Transaction Illustrative Chart



Post-Transaction Illustrative Chart